

AUTHORIZED EXPENDITURES

Estimates, Projections and Mill Levy Information

The following shows Actual FY 08 Actual Expenses, FY 09 Budget, FY 09 Actual Expense and the Start Up through Final FY 2010 Budget, for funds and activities subject to budgeting by group:

DEPARTMENT SUMMARY LISTING FY 2010 OPERATING AND CAPITAL BUDGET								
DEPARTMENT	ACTIVITY	FY 2008 ACTUAL	FY 2009 BUDGET	FY 2009 ACTUAL	FY 2010 START UP	FY 2010 REQUEST	FY 2010 PRELIMINARY	FY 2010 BUDGET
TOTAL ALL COUNTY FUNDS LEVYING MILLAGE	Personnel	21,768,778	24,387,051	22,600,938	23,818,403	24,262,246	24,005,424	24,213,935
	Operations	10,858,379	11,599,254	10,204,937	11,151,222	11,946,187	11,656,106	12,712,052
	Debt Service	1,236,234	2,320,494	1,200,846	4,504,959	4,341,240	4,341,240	4,458,653
	Capital Outlay	6,418,239	21,126,971	14,616,681	34,064,085	34,826,423	34,499,099	35,506,281
	TOTAL	40,281,630	59,433,770	48,623,402	73,538,669	75,376,096	74,501,869	76,890,920

The Budgets for 'All County Funds Levying Millage' for Personnel expenses decreased by (0.71%), Operations increased by 9.59%, Debt Service increased by 92.14% and Capital increased by 68.06% for a total increase of 29.37% from Fiscal Year 2009.

TOTAL - Grants Misc. Funds	Personnel	1,266,261	1,504,657	1,377,197	1,423,981	1,494,432	1,469,593	1,470,700
	Operations	2,526,981	4,692,159	2,381,558	3,716,607	4,802,737	5,054,597	5,021,846
	Debt Service	570,633	842,587	652,171	860,055	973,014	973,014	1,124,074
	Capital Outlay	1,333,079	2,170,321	418,359	2,452,876	2,651,928	2,799,165	3,283,416
	TOTAL	5,696,954	9,209,724	4,829,285	8,453,519	9,922,111	10,296,369	10,900,036

Interdepartmental Funds	Personnel	4,569,948	4,585,195	3,773,090		4,512,960	4,555,171	4,548,286
	Operations	4,480,084	5,634,857	5,360,621		5,391,335	5,211,115	6,973,799
	Debt Service	4,557,509	1,275,542	1,032,025		1,177,623	1,177,623	1,177,623
	Capital Outlay	2,129,379	6,476,056	1,880,568		4,876,392	4,898,356	5,211,701
	TOTAL	15,736,920	17,971,650	12,046,304		15,958,310	15,842,265	17,911,409

TOTAL FIRE DISTRICTS AND FIRE SERVICE AREAS	Personnel	1,216,117	1,645,341	1,157,646	-	1,477,545	2,055,107	3,000,949
	Operations	2,266,687	4,086,593	3,148,019	-	2,329,152	3,216,627	5,373,904
	Debt Service	144,608	448,769	281,132	-	102,916	181,260	642,564
	Capital Outlay	2,875,042	3,685,347	2,008,002	-	2,392,904	3,265,290	2,204,740
	TOTAL	6,502,454	9,866,050	6,594,799	-	6,302,517	8,718,284	11,222,157

Special Districts	Personnel	130,578	147,852	96,195	-	150,959	150,959	166,508
	Operations	1,221,822	2,631,493	2,645,806	-	1,667,516	1,667,516	2,625,937
	Debt Service	862,590	-	-	-	-	-	-
	Capital Outlay	127,454	238,819	125,262	-	148,623	148,623	90,754
	TOTAL	2,342,444	3,018,164	2,867,263	-	1,967,098	1,967,098	2,883,199

Personnel	28,951,682	32,270,096	29,005,066	25,242,384	31,898,142	32,236,254	33,400,378
Operations	22,088,259	33,050,578	24,420,892	14,867,829	26,157,326	31,215,862	37,147,663
Debt	8,617,553	5,729,407	3,711,587	5,365,013	7,186,707	7,992,105	8,348,070
Capital	16,450,791	39,421,500	20,438,068	36,516,961	45,565,461	51,215,110	51,977,341
TOTAL EXPENSES	76,108,285	110,471,581	77,575,613	81,972,273	110,807,636	122,659,331	130,873,451

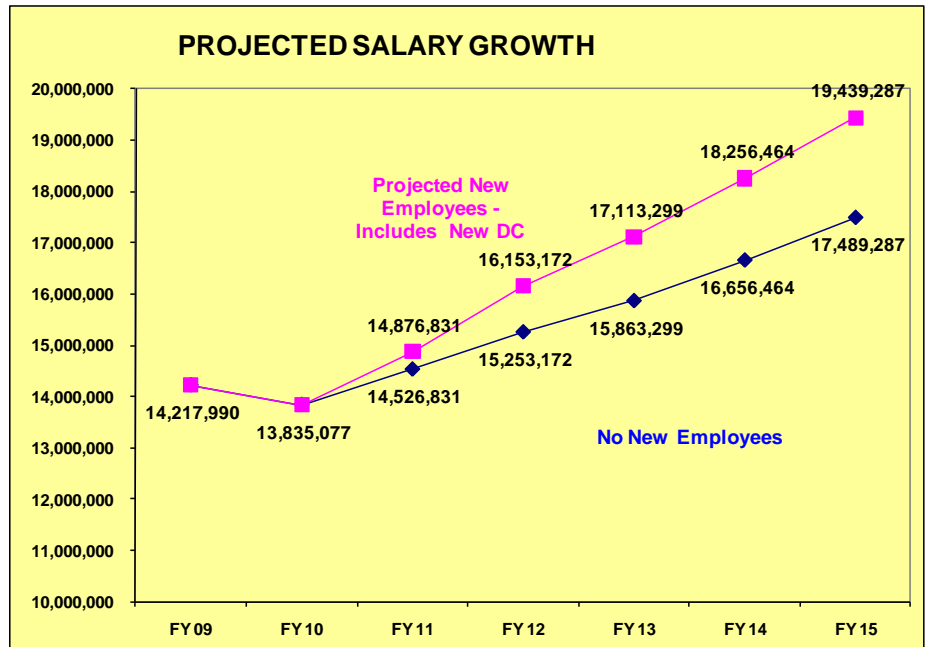
The 'Total Expenses' Budgets increased for Personnel expenses increased by 3.50%, Operations increased by 12.40%, Debt Service increased by 45.71% and Capital increased by 31.85% for a total increase of 18.47% from Fiscal Year 2009 Budget

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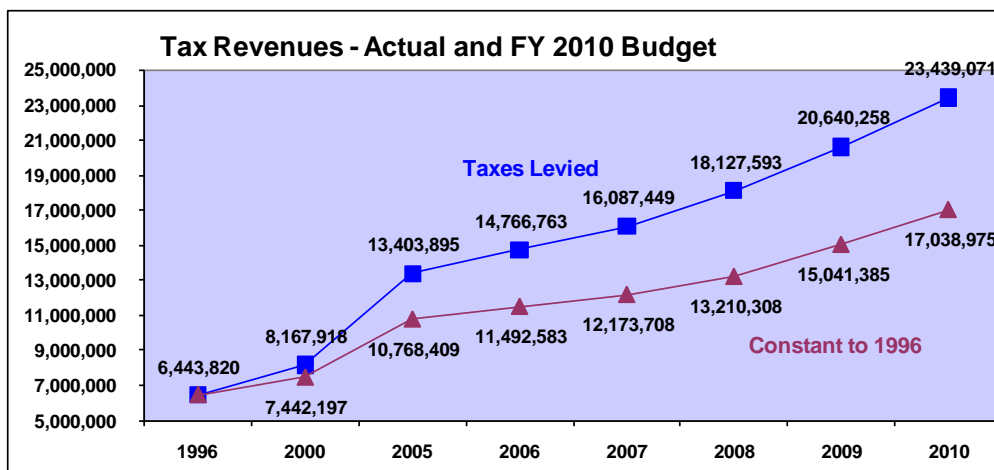
Estimates, Projections and Mill Levy Information

The County Finance Office prepares a yearly Financial Trend Analysis and Financial Forecast Report. This report uses information available at the mid-year point of the Fiscal Year (December 31st). The Analysis, Assumptions and Trends identified in the FY 09 Report are being used to show the projected changes in Expenditures, Revenues and Working Capital.

The information at right shows projected growth in wages and salaries based on the FY 2010 Budget, for Funds Levying Taxes. The graph is for tax-supported positions only, and does not include the Rest Home, Solid Waste Districts, Grants or other non-tax supported positions. The major increase in FY 2011 anticipates the county bringing a new Detention Center on-line.



The 'No New Employees' projects the amount the County will need to meet current staffing levels. The 'Projected New Employees' takes into consideration historical increases in staffing patterns – plus the New Detention Center



The next area that is reviewed is the County's Mill Levy and Valuations. The graph at the left shows County taxes levied to support County Wide mills and Rural Mills. The graph does not include special districts, rural improvement districts or other unique taxing authorities.

The Constant dollar uses 1996 as the base year. During the period 1996-2010 the County's population has grown from 60,157 to an estimated 90,229 (49.99%). The County has also seen voters approve 3.5 Mills for Library, two \$10 Million Open Space Bonds, a 9 mill levy for Dispatch and a \$32 million bond for the Detention Center. County taxable valuations have grown from \$101,560 per mill in FY 1996 to \$223,244 for FY 2010, a 119.81% increase.

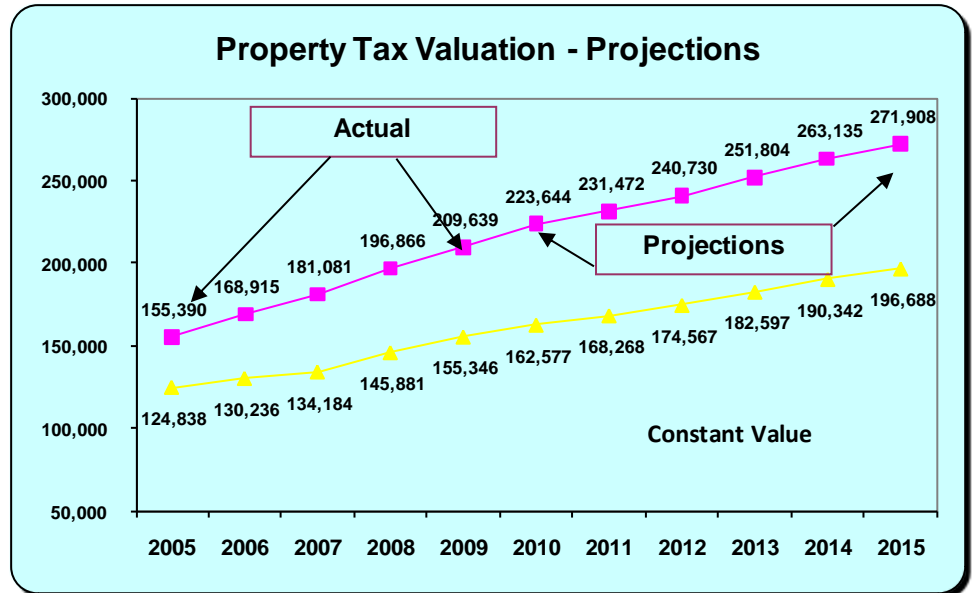
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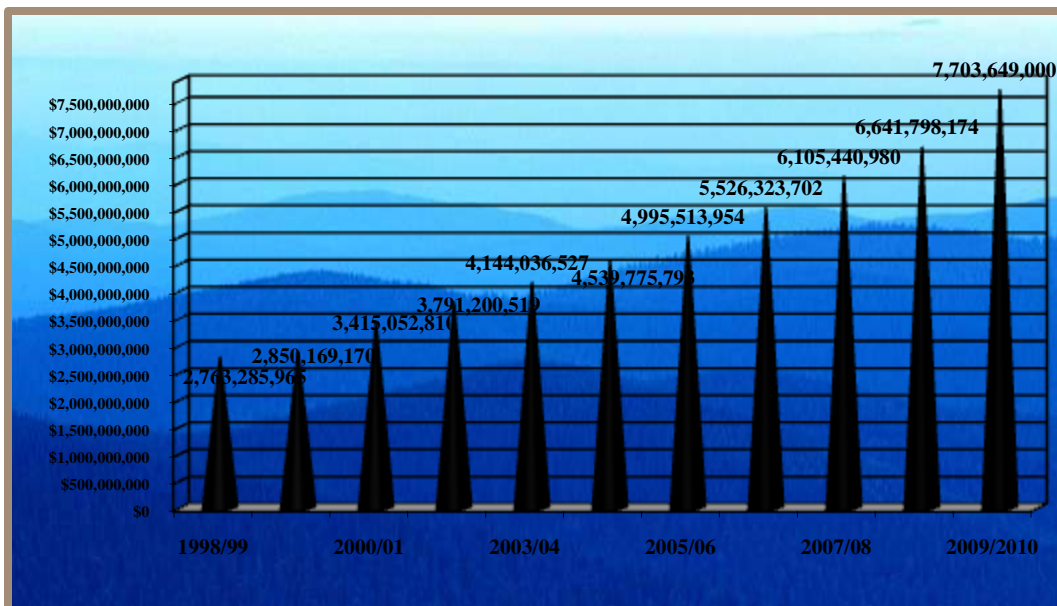
Market and Taxable Value History:

The FY 05 – FY 10 numbers shown in the graph to the right are actual numbers. The FY 2011 through FY 2015 are projections. The growth rate is a conservative 3.0% to 4.0%.

As can be seen the actual growth rate has been 7% to 12%, with the FY 08 being 8.7% and FY 09 being 6.49%. FY 2010 is a reappraisal year and the increase is primarily caused by this.



The average selling price for a single-family home has increased from \$158,000 in 2003 (reappraisal year) to an estimated \$255,000 in 2009. The 2009 reappraisal dramatically increased valuations from the 2003 amounts. However, the State Legislature has adjusted taxable ratios so a majority of taxpayers will not see an increase in taxes. The exception to this comes from those properties growing at a greater percentage than the State average. In 2009 Gallatin County's Market Valuation grew at a 64% rate versus the State average of 55%. This could have resulted in a 9% increase in revenues, however the state implemented a six-year execution of the new valuations so the county is seeing an increase of only 1.5% per year.



The next graph shows changes in certified market valuation as determined by the Department of Revenue. This graph shows a growth rate of 86% from FY 04 through FY 2010. The growth factor since 1998 Tax year is 178.28% or 14.86% per year. Growth in Property Values

during the same time frame were 75.78%, or 8.42% per year (a 4.29% reduction due to legislative actions).

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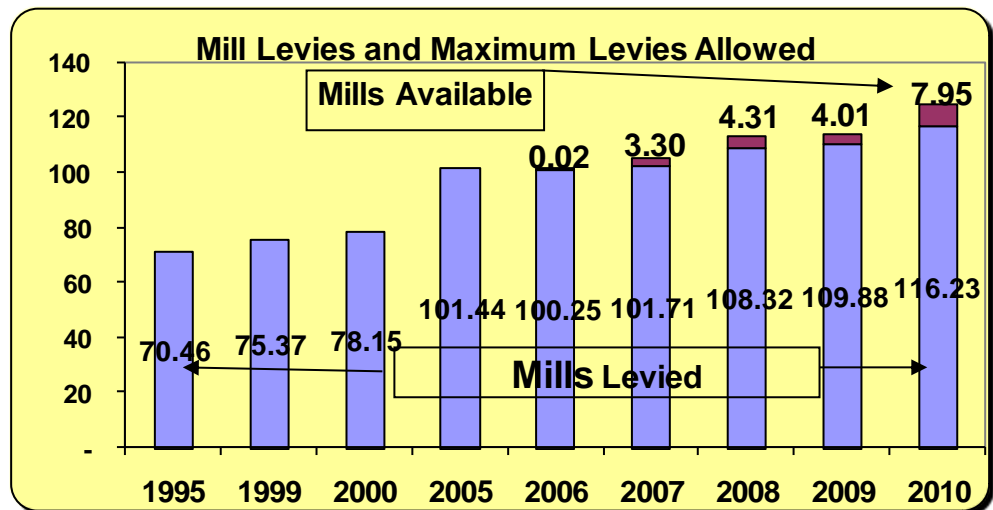
Mill Levy History:

Gallatin County has seen significant changes in mill levies. Changes occurred because of :

- Legislative changes
 - Loss of revenue caused by legislative action was allowed to be corrected through increases in taxes,
 - Inflationary mill levy of $\frac{1}{2}$ the three year average of Economic Growth for the State of Montana as a whole, is allowed (County is not using FY 07, FY 08 and FY 09's)
 - Authorization for Mill Levy if Health Insurance Premiums increase.
- Voted Mill Levy increases for Library and Enhanced Dispatch (9-1-1)
- Two General Obligation Bonds approved for Open Space Activities (\$20 Million) and the \$32 Million Bond for the Detention Center.

The following graph shows the number of mills levied for Operating Funds (County Wide Mills), Rural Funds (Taxes levied outside the boundaries of incorporated cities and towns) and Debt Service/Permissive Medical Levies.

Mill Levies have increased from 70.46 in FY 1995 to the 116.23 for the Final FY 2010 Budget.



The Commission has decided not to levy inflationary taxes for FY 07, FY 08, FY 09 and FY 10. Not levying these taxes plus the Commissions decision to not levy the maximum operation mills and Permissive medical levy means the County will not levy \$1,854,596 on taxpayers for FY 2010. This includes \$39,820 for Rural (Road / Library) mills, \$92,133 for Fire Districts and \$21,264 for special districts. The County will not be taxing the maximum amount for the Permissive Medical Levy in FY 2010, leaving \$620,820 available if needed in future years.

Pursuant to state statute and bond agreements the County will be levying the amount required for bond payments. While the Rest Home Bond is paid off the borrowing of an additional \$5,000,000 for Open Space and \$32,000,000 for the New Detention Center will require increasing debt service mills from 5.15 mills (\$1,049,814) to 12.42 mills (\$2,762,468). Both these bond issues were approved by voters.